



PSC NEWS

Missouri Public Service Commission

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PSC CHAIRMAN KELVIN SIMMONS BRINGS ENERGY ASSISTANCE NEEDS TO THE STATE CAPITOL

Jefferson City (October 22, 2001)---Missouri Public Service Commission Chairman Kelvin Simmons appeared before the **Joint Interim Committee on Telecommunications & Energy this afternoon in the State Capitol in Jefferson City.** Chairman Simmons discussed energy assistance funding and disconnects-reconnects of natural gas service heading into this winter.

Funding assistance is key for those who have already had natural gas service disconnected for non-payment or who face disconnection due to non-payment. According to recent reports, the United States Senate Subcommittee on Labor/HHS/ED has appropriated \$1.7 billion for LIHEAP (Low Income Home Energy Assistance Program) for FY 2002 plus \$300 million in emergency funds. This is the amount that was previously approved by the full House. **“This means that \$38.7 million will be coming to Missouri this year as compared to \$31.7 million last year, a 22 percent increase,”** stated Chairman Simmons. **“I am encouraged that Congress recognizes the increased need for LIHEAP funding for Missourians. But we also need to keep in mind that last year, Missouri received almost \$20 million in additional emergency funding, providing a total of \$51 million in LIHEAP funds to help those Missourians most in need.”**

“Approximately 29,000 Missouri households currently are still without natural gas service due to disconnections while another 50,000 households face the possibility of being disconnected for non-payment,” stated Simmons. **“Despite predictions for lower natural gas prices this winter, the**

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announced appropriation may not meet the deficiencies that still remain AND adequately meet the needs of Missouri’s low-income residents. We will most likely need an additional appropriation. While I realize that there are many important priorities that need federal government attention and funding, there are a number of our citizens that are greatly in need of assistance before cold weather sets in. I plan to continue to work with the Missouri Congressional delegation on their behalf. I will also have to explore other strategies which may be able to help.”

Approximately \$300 million in emergency appropriations to help struggling customers with their high natural gas bills from last year has been appropriated by Congress and President George Bush.

“However, that money hasn’t come to those in need at this time.” stated Simmons. “I will stay in close contact with the Missouri Congressional delegation and will do what I can to get that funding to those in need as soon as possible.”

BACKGROUND: Federal LIHEAP dollars are distributed in Missouri through the Missouri Department of Social Services, Division of Family Services. According to the Division’s FY 2001 LIHEAP statistics, more than 137,500 Missourians applied for LIHEAP assistance last year. Of that number, almost 23,000 Missourians were denied LIHEAP assistance, primarily due to not meeting eligibility requirements.

Missouri Historic LIHEAP funding since 1990:

1990: \$32,200,000	1994: \$32,700,000	1998: \$22,500,000
1991: \$35,700,000	1995: \$29,800,000	1999: \$24,800,000
1992: \$34,100,000	1996: \$24,000,000	2000: \$27,100,000
1993: \$33,200,000	1997: \$22,500,000	2001: \$51,400,000*

(Source: Final Report of the Missouri Energy Policy Task Force)

***Represents a base allocation of \$31,800,000 plus \$19,600,000 in emergency funding.**

According to at least one national study, low-income natural gas customers used approximately 24 percent of their total available income to pay energy bills in the last year. That is approximately 5 times the income burden of other natural gas customers.

The Missouri Department of Social Services, Division of Family Services has already started the process of mailing LIHEAP applications to those who received LIHEAP funding last year. Those who are seeking assistance for the first time may contact their local Division of Family Services office or the state office on and after November 1, 2001.

High natural gas prices and cold weather were the two primary factors which resulted in the high number of shut-offs following the 2000-2001 winter season. Natural gas prices climbed to record levels because of increased demand for natural gas, weak growth in exploration and production of natural gas, and national inventory storage levels that were significantly lower than historical levels. In addition, Missouri experienced the coldest November and December on record leading customers to use more natural gas than in the previous winter.